

House File 645 - Reprinted

HOUSE FILE _____
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 64)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the regulation of lotteries, including the
2 definition of a lottery, permissible lotteries by commercial
3 organizations, and the prosecution of violators.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1188HV 81
6 ec/sh/8

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1 1 Section 1. Section 725.12, Code 2005, is amended to read
1 2 as follows:

1 3 725.12 LOTTERIES AND LOTTERY TICKETS == DEFINITION ==
1 4 PROSECUTION.

1 5 1. If any person make or aid in making or establishing, or
1 6 advertise or make public a scheme for a lottery; or advertise,
1 7 offer for sale, sell, distribute, negotiate, dispose of,
1 8 purchase, or receive a ticket or part of a ticket in a lottery
1 9 or number of a ticket in a lottery; or have in the person's
1 10 possession a ticket, part of a ticket, or paper purporting to
1 11 be the number of a ticket of a lottery, with intent to sell or
1 12 dispose of the ticket, part of a ticket, or paper on the
1 13 person's own account or as the agent of another, the person
1 14 commits a serious misdemeanor. However, this section does not
1 15 prohibit the advertising of a lottery or possession by a
1 16 person of a lottery ticket, part of a ticket, or number of a
1 17 lottery ticket from a lottery legally operated or permitted
1 18 under the laws of another jurisdiction. This section also
1 19 does not prohibit the advertising of a lottery, game of
1 20 chance, contest, or activity conducted by a not=for=profit
1 21 organization that would qualify as tax exempt under section
1 22 501 of the Internal Revenue Code, as defined in section 422.3,
1 23 or conducted by a commercial organization as a promotional
1 24 activity by a commercial organization which is clearly
1 25 occasional and ancillary to the primary business of that
1 26 organization, provided that the effective dates on any
1 27 promotional activity shall be clearly stated on all
1 28 promotional materials and no monetary prize awarded pursuant
1 29 to such promotional activity shall be paid on the premises
1 30 where the chance to win a prize was obtained. A lottery, game
1 31 of chance, contest, or activity shall be presumed to be a
1 32 promotional activity which is not occasional if the lottery,
1 33 game of chance, contest, or activity is in effect or available
1 34 to the public for a period of more than ninety days within a
1 35 one-year period.

2 1 2. When used in this section, "lottery" shall mean any
2 2 scheme, arrangement, or plan whereby a prize is one or more
2 3 prizes are awarded by chance or any process involving a
2 4 substantial element of chance to a participant who has, and
2 5 where some or all participants have paid or furnished a
2 6 consideration for such chance.

2 7 3. For the purpose of determining the existence of a
2 8 lottery under this section, a consideration shall not be
2 9 deemed to have been paid or furnished where all or
2 10 substantially all entries representing chances to win are
2 11 submitted by means of the internet or the United States mail
2 12 or by similar delivery method to the person or persons
2 13 conducting the lottery, game of chance, contest, or activity
2 14 prior to any prize being awarded, and where one or more of
2 15 such chances to win may be obtained by participants where no
2 16 purchase or payment is required to enter or win. In all other

2 17 cases, a consideration shall be deemed to have been paid or
2 18 furnished only in such cases where as a direct or indirect
2 19 requirement or condition of obtaining a chance to win a prize,
~~2 20 the one or more prizes, some or all participants are required~~
~~2 21 to make an expenditure of money or something of monetary value~~
2 22 through a purchase, payment of an entry or admission fee, or
2 23 other payment or the participants are required to make a
2 24 substantial expenditure of effort; provided, however, that no
2 25 substantial expenditure of effort shall be deemed to have been
2 26 expended by any participant solely by reason of the
2 27 registration of the participant's name, address, and related
2 28 information, the obtaining of an entry blank or participation
2 29 sheet, by permitting or taking part in a demonstration of any
2 30 article or commodity, by making a personal examination of
2 31 posted lists of prize winners, or by acts of a comparable
2 32 nature, whether performed or accomplished in person at any
2 33 store, place of business, or other designated location,
2 34 through the mails, or by telephone; and further provided, that
2 35 no participant shall be required to be present in person or by
3 1 representative at any designated location at the time of the
3 2 determination of the winner of the prize, and that the winner
3 3 shall be notified either by the same method used to
3 4 communicate the offering of the prize or by regular mail.
3 5 4. Upon request of the Iowa lottery authority or the
3 6 division of criminal investigation of the department of public
3 7 safety, the attorney general shall institute in the name of
3 8 the state the proper proceedings against a person charged in
3 9 such request with violating this section, and a county
3 10 attorney may, at the request of the attorney general, appear
3 11 and prosecute an action when brought in the county attorney's
3 12 county.

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